



Pearson

Sustainability &
ESG Supplement 2019

Introduction

We exist to empower people to progress in their lives through learning



At its very core, Pearson is a company driven by a sense of purpose – we exist to empower people to progress in their lives through learning. The deeper we integrate sustainability into our business and strategy, the bigger and more positive will be the impact we have on society – and the more likely we are to prosper over time. We are committed to advancing UN Sustainable Development Goals, particularly goal 4 on quality education, goal 8 on decent jobs and economic growth and goal 10 on reducing inequality, and the UN Global Compact principles on human rights, labour, the environment and anti-corruption.

John Fallon
Chief Executive

For the first time this year, we have brought together our annual and sustainability reports, demonstrating our commitment to more deeply embed sustainability across our business. We have compiled this supplement document containing additional key information for our stakeholders interested in sustainability and ESG, including:

- 2 Our new 2030 sustainability strategy, materiality assessment and stakeholder engagement
- 5 ESG performance data & assurance
- 15 Progress on 2020 plan targets
- 19 Our reporting frameworks: Our Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index

2030 Sustainability Strategy, materiality assessment and stakeholder engagement

Overview

In our annual report, we have introduced a new 2030 Sustainability Strategy and take stock of progress towards our 2020 sustainability plan.

Looking towards 2030, our focus is identifying, supporting and developing people so they can reach their full potential and supporting the UN Sustainable Development Goals, (UN SDGs) particularly goal 4 on quality education, goal 8 on decent jobs and economic growth, and goal 10 on reducing inequality.

The focus areas of our strategy are below. Later this year, we will release our targets and more detail about how we will advance these objectives.

2030 Sustainability Strategy

Pearson sees a world of talent

Talent is the world's most valuable resource. We want to unleash it.

Our Sustainability Strategy has three main pillars:

Advance equity in learning



We have the role and responsibility to help overcome barriers to lifelong learning, from socio-economic hurdles to equity and health challenges.

Build skills for sustainable futures



We will use our skills, assets and partnerships to equip people with the technical skills, knowledge, creativity and resilience needed to achieve the UN SDGs.

Lead by example



Our 2030 strategy will continue to focus on building the foundations for a sustainable business, such as our commitments to respect human rights and minimise environmental impacts across our value chain.

Materiality analysis & stakeholder engagement

Our new sustainability framework was developed based on a materiality analysis that considered how Pearson's business priorities and stakeholder expectations have changed and are likely to evolve. Our materiality assessment was undertaken with Forum for the Future, a well-respected sustainability charity.

As we approached this work, we have taken several key considerations into account:

- › **Engaging our stakeholders:** We engaged key stakeholders to understand the issues most important to them and where they expect Pearson to play a role.
- › **Identifying current and future trends:** We conducted futures research to help identify the social, environmental and economic issues that will influence learning, our ecosystem of partners and Pearson's business in the years to come.
- › **Linking to business priorities:** Our process was designed to align with and support our corporate strategy and brand strategy.
- › **Supporting global goals:** We will continue our commitment to advancing the UN SDGs and leverage their targets and indicators in our goal-setting.

Active, ongoing input and engagement from internal and external stakeholders is key for Pearson. Our key stakeholder groups include employees, shareholders, learners, educational institutions & educators, employers, governments & regulators, business partners & suppliers, and international, non-governmental & non-profit organizations. Detailed information is on p14-15 of our [Annual Report](#).

For this materiality analysis, we conducted 50 interviews with internal and external stakeholders. The interviews asked stakeholders to reflect on the contribution Pearson can make to a sustainable future, explore opportunities and risks in the wider landscape, and identify the assets, relationships, skills and resources that Pearson has the ability to influence through its business activities. We also conducted internal focus groups to dive more deeply into three themes that came out of the interviews.

2030 Sustainability Strategy, materiality assessment and stakeholder engagement continued

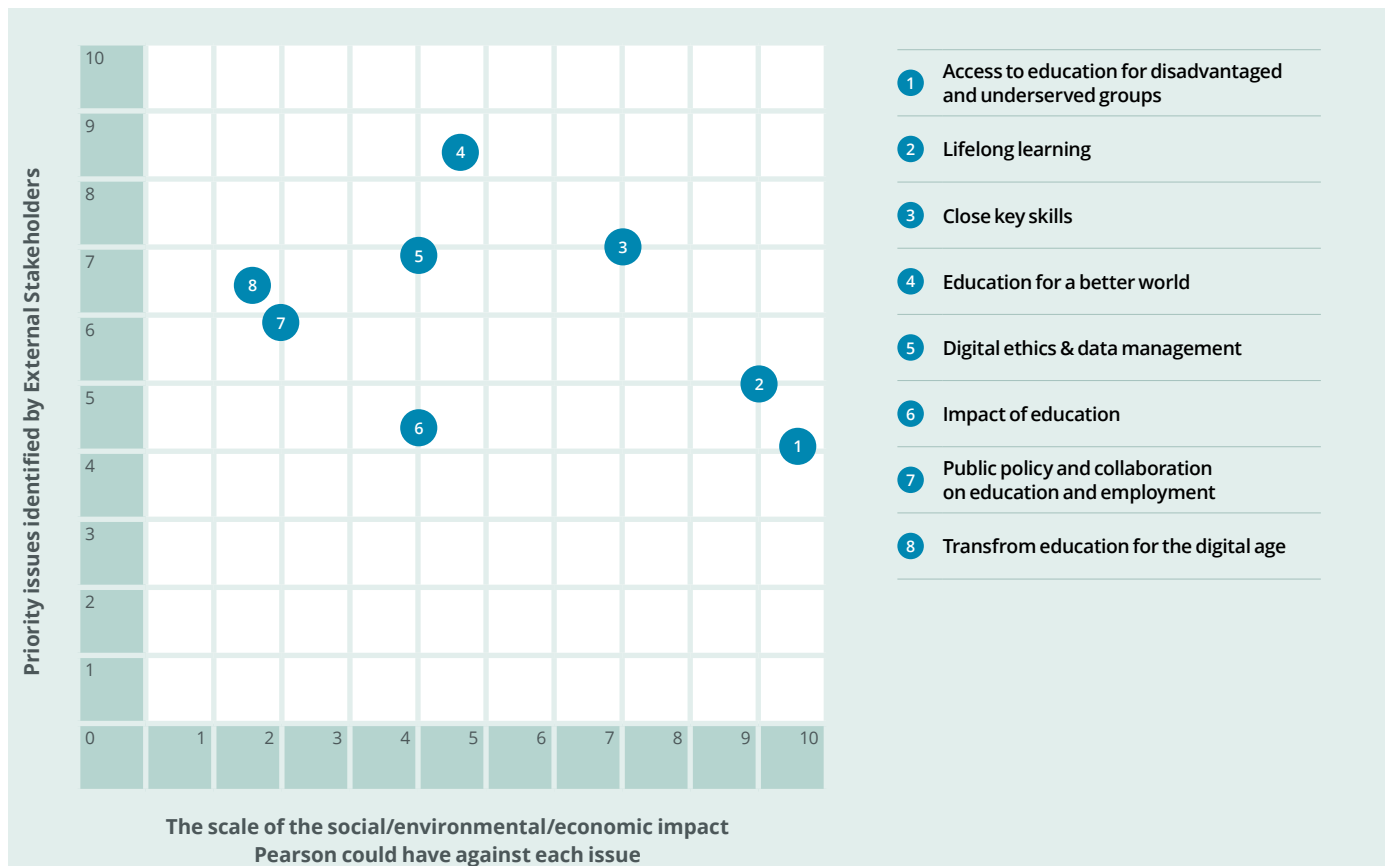
The interviews, focus groups and research identified eight high-impact issues that approximately 30 business leaders discussed at workshops to inform our materiality matrix, below. The output from these workshops was broad agreement on the material issues that guide Pearson's new sustainability strategy:

- 1 **Access to education for disadvantaged and underserved groups:** Using our products, services and partnerships to help disadvantaged/underserved groups (for example, low-income, women, underrepresented minorities, people with disabilities etc) gain access to education and help them learn effectively so they have opportunities to improve their lives.
- 2 3 **Lifelong learning, closing key skills gaps:** Supporting learners to navigate disruption and gain new skills that will help them find a new livelihood, including mental support and resilience for progressing through challenging times.
- 4 **Education for a better world:** Leveraging our products, services and voice to support learning about content and skills related to social and environmental issues in order to help learners prepare for green jobs, work for companies who are increasingly focused on sustainability and in their everyday lives.
- 5 **Digital ethics & data management:** Upholding the highest standards of data privacy and leveraging data to improve outcomes and support personalized learning targeted at improving outcomes for the most vulnerable learners.

- 6 **Impact of education:** Ensuring and demonstrating that our products and services improve learning outcomes and help learners make progress in their lives – for example, by enabling them to obtain workforce skills, get a job, earn a better livelihood or be a better global citizen.
- 7 **Public policy and collaboration on education and employment:** Engaging and partnering with governments and other organizations to inform public policy and shape new cross-sector approaches that improve education and outcomes, including the needs of vulnerable learners.
- 8 **Transform education for the digital age:** Account for and address the impacts of Pearson's digital transformation on learners, society and the environment.

Sustainability foundations for social and environmental impacts: In addition to the areas where Pearson can make the biggest positive impact, our stakeholders expressed clear expectations that we continue to scale efforts around human rights and the environment in our operations and supply chain. This includes our ongoing work to promote good labor practices and working conditions and mitigate impacts on climate and forests across our value chain.

Materiality matrix



ESG performance data and assurance

Environment

For more information about how we manage our impact on the environment, please see p22-23 of the Annual Report.

	2009	2017	2018	2019		
Greenhouse gas (GHG) (carbon dioxide equivalent) emissions overview (metric tons CO₂e)						
Scope 1						
Gas, fleet and refrigerant loss		15,691	13,057	13,251		
Scope 2						
Electricity – location based		61,047	49,920	47,384		
Electricity – market based			4,583	418		
Scope 3						
Other		1,230	721	569		
Business travel		21,999	24,061	15,755		
Electricity transmission		4,418	3,489	3,462		
Total scope 3		27,647	28,271	19,786		
Total Emissions – location based		104,385	84,649	80,421		
Total Emissions – market based			39,312	33,454		
Total GHG/FTE metric tons (CO₂e/FTE)	5.66	2.53	3.48	3.53		
CO₂ (tonnes) per m² (scope 1,2 location based & 3)	0.15	0.13	0.12	0.11		
CO₂ (tonnes)/ Sales revenue (scope 1+2 location based +3)	37.39	23.13	20.5	20.79		
		2017 (location based)	2018 (location based)	2018 (market based)	2019 (location based)	2019 (market based)
GHG emissions from Pearson businesses (metric tons CO₂e)						
US		54,503	44,781	17,301	49,231	19,951
UK		12,462	11,112	7,472	8,049	5,340
China		11,963	3,461	745	781	279
South Africa		12,976	12,047	1,792	11,504	1,914
India		1,863	2,795	1,438	2,121	1,017
Brazil		1,530	1,987	1,866	1,554	1,496
Canada		1,865	1,005	1,005	628	284
Australia		2,383	2,170	2,170	2,184	958
Rest of the world (except US, UK, China, South Africa, India, Brazil, Canada, Australia)		4,839	10,641	13,873	4,369	2,215
Total		104,384	84,649	39,312	80,421	33,454
Percent decrease from year to year (for Scope 1 to 3)		-17%	19%		5%	15%
Renewable energy (kW)						
		2017	2018		2019	
Total solar		2,265	2,300		2,250 estimated	
Total wind		95	95		95	
Total		2,360	2,395		2,350	
Environmental reporting measures (Units)						
		2017	2018		2019	
Net internal area of reporting offices (m ²)		788,506	686,493		651,903	
Energy consumption measure						
		2017	2018		2019	
% electricity from renewable sources		100%	100%		100%	
Total electricity consumption from renewable sources only (MWh)		122,224	106,735		90,192	
Total gas consumption (MWh)		25,553	20,325		39,443	
Total fuel oil consumption (MWh)		96	23		85	
Total energy consumption (MWh)		147,873	127,083		129,720	
MWh/employee		4.9	5.2		5.7	

ESG performance data and assurance continued

	2017 (location based)	2018 (location based)	2018 (market based)	2019 (location based)	2019 (market based)
Business travel measure					
Air passenger (km)	152,430,338	109,045,619		95,996,948	
Rail passenger (km)	13,893,549	19,524,981		12,870,836	
Road (distance, km)	58,254,200	44,552,853		32,438,877	
Road (fuel use) (litres)	0	0			
Road (derived energy) (MWh)	41,511	34,238		32,439	
Total GHG emissions from business travel (metric tons/CO ₂ e)	21,999	28,271		19,786	
Paper					
Paper used (MT)	95,552	103,758		100,000	
Waste					
Total waste to landfill (MT)	1,244	681		629	
Total waste to landfill (MT/FTE)	0.04	0.028		0.028	
Water					
Total water consumption (m ³)	530,728	580,958		453,589	
Total water consumption (m ³ /FTE)	17.5	23.89		19.36	
Legal compliance					
Reported environmental prosecutions	nil	nil		nil	
CO₂ per employee					
CO ₂ (tonnes) per employee (scope 1,2 location based & 3)	3.44	3.48		3.57	
CO ₂ (tonnes) per employee (scope 1,2 market based & 3)		1.8		1.49	
CO₂ per m² (of building space occupied)					
CO ₂ (tonnes) per m ² (scope 1,2 location based & 3)	0.13	0.12		0.11	
CO ₂ (tonnes) per m ² (scope 1,2 market based & 3)		0.06		0.05	
CO₂ per £m sales revenue (scope 1&2)					
CO ₂ (tonnes)/ Sales revenue (scope 1+ 2 location based)	17	15.25		15.67	
CO ₂ (tonnes) per employee (scope 1+2 market based)		4.27		3.53	
CO₂ per £m sales revenue (scope 1,2 & 3)					
CO ₂ (tonnes)/ Sales revenue (scope 1+ 2 location based +3)	23.13	20.5		20.79	
CO ₂ (tonnes) per employee (scope 1+2 market based+3)		9.52		8.65	

Environmental data assurance

Our environmental sustainability data is assured by Corporate Citizenship, an independent third party. The scope of the assurance covers our energy consumption, carbon emissions, 100% renewable electricity and carbon neutrality commitments. Read more at <https://www.pearson.com/sustainability/reporting-policies.html>.

ESG performance data and assurance continued

Social

Our employees

The focus on simplification at Pearson continued in 2019 with the goal of making the company more efficient and focused. During the year, we completed the disposal of our US K12 Courseware business and reported a further reduction in headcount.

We recognise that our cost savings programs bring operational risks and one way we mitigate these is through our commitments to our people as a responsible employer.

These are to inform, support and equip colleagues to work collaboratively and to innovate; encourage and reward high performance, nurture and develop talent and foster a culture where everyone is able to realise their individual potential; provide a safe and healthy work environment for our employees and our stakeholders; help our colleagues understand how we are doing as a company; provide information, support and consult colleagues who leave the company.

We describe how we engage our employees, invest in talent, manage organisational change and promote diversity and a culture of inclusion in our Annual Report (p14, p21-23, p43 and p64).

	2017	2018	2019
Total average number of employees for the year	30,339	24,322	22,734
Employees by geography, total average for the year			
North America	16,295	14,113	13,564
Core	5,291	5,192	4,951
Growth	8,268	4,521	3,693
NA	485	496	526
Total permanent employees, as of 31 December			
Permanent contracts – male	38%	38%	41%
Permanent contracts – female	62%	62%	58%
Total temporary employees, as of 31 December			
Temporary contracts – male	34%	30%	36%
Temporary contracts – female	64%	68%	64%
Total full-time employees, as of 31 December			
Full-time – male	41%	41%	45%
Full-time- female	59%	58%	55%
Total part-time employees, as of 31 December			
Part-time – male	24%	24%	25%
Part-time- female	75%	76%	75%

ESG performance data and assurance continued

Employee gender diversity

	2017	2018	2019
Total male	39%	38%	41%
Total female	61%	62%	59%

Female leadership			
Board positions held by women	30%	30%	33%
Percentage of women on Pearson's executive team			
– total	18%	9%	18%
– excluding enabling functions	0%	0%	0%
Senior leadership*	30%	31%	34%
VP, as of 31 December	41%	43%	40%
Director, as of 31 December	47%	48%	48%
Manager, as of 31 December	51%	48%	50%
Percentage of women in technology roles (IT/engineering)	24%	34%	35%
Percentage of women employees in revenue-producing roles	55%	65%	62%
Percentage of promotions received by women	59%	59%	56%
UK median gender pay gap	15%	14%	12%

Employee age representation, all as of 31 December

	2017	2018	2019
Under 30 years old	6,052 / 20%	4,165 / 15%	14%
30-50 years old	17,960 / 58%	16,465 / 60%	58%
Over 50 years old	6,864 / 22%	6,890 / 15%	28%
No date	10 / 0.00%	105 / 0.38%	0.50%

Employee age by gender			
Under 30 years old			
Female	3,928 / 13%	2,614 / 36%	9%
Male	2,111 / 7%	1,510 / 5.47%	5%
NA	13 / 0.04%	41 / 0.15%	
30-50 years old			
Female	10,811 / 35.01%	9,954 / 36%	33%
Male	7,114 / 23.04%	6,468 / 23%	25%
NA	35 / 0.11%	43 / 0.16%	
Over 50 years old			
Female	4,270 / 13.83%	4,468 / 16.17%	17%
Male	2,479 / 8.03%	2,418 / 9%	11%
NA	115 / 0.37%	4 / 0.01%	

ESG performance data and assurance continued

Turnover

Involuntary terminations as a result of divestiture and restructuring are driving turnover rates up. Prior to 2019, our business was structured around 3 geographies: North America, Growth (China, India, Brazil, South Africa) and Core (UK and rest of world) and we reported following this structure. For 2019, we are reporting UK, US and Rest of world.

	2017	2018	2019
Turnover rate, total average for the year	8,413 / 26% (global)	11,024 / 37% (global)	8,627 / 37% (global)
Voluntary turnover	5,185 / 16% (global)	5,101 / 20% (global)	4,695 / 20% (global)
Involuntary turnover	3,228 / 10% (global)	5,923 / 17% (global)	3,932 / 17% (global)

Turnover by region

UK (2019)			4%
US (2019)			25%*
Rest of world (2019)			8%
Core (2018 and prior)	648 / 2%	780 / 3%	
Growth (2018 and prior)	2,318 / 7%	3,346 / 11%	
North America (2018 and prior)	2,209 / 7%	2,084 / 7%	
Other (2018 and prior)	3,238 / 10%	4,814 / 16%	

Turnover by gender

Female	5,098 / 16%	7,201 / 24%	5,447 / 23%
Male	3,126 / 10%	3,711 / 13%	3,168 / 14%
NA	189 / .58%	112 / .38%	12 / .1%

Turnover by region & gender

UK (2019)			
Female			528 / 2%
Male			373 / 2%
NA			0 / 0%
US (2019)			
Female			3,917 / 17%
Male			1,901 / 8%
NA			0 / 0%
Rest of World (2019)			
Female			1,002 / 4%
Male			894 / 4%
NA			12 / .1%
Core (2018 and prior)			
Female	442 / 1%	509 / 2%	
Male	194 / .59%	252 / 1%	
NA	12 / 0.04%	19 / 0.06%	
Growth (2018 and prior)			
Female	1,333 / 4%	2,183 / 7%	
Male	946 / 3%	1,157 / 4%	
NA	39 / 0.1%	6 / 0.02%	
North America (2018 and prior)			
Female	1,424 / 4%	1,524 / 14%	
Male	716 / 2%	560 / 5%	
NA	69 / 0.21%	0 / 0%	
Other (2018 and prior)			
Other - Female	1,899 / 6%	2,985 / 10%	
Other - Male	1,270 / 4%	1,742 / 6%	
Other - NA	69 / 0.21%	87 / 0.3%	

*Includes headcount of US K12 courseware business sold in 2019

[Click here to view our 2019 Annual Report & Accounts.](#)

ESG performance data and assurance continued

	2017	2018	2019
Turnover by age group			
Under 30 years old	2,479 / 8%	2,943 / 10%	7%
30-50 years old	4,292 / 13%	5,710 / 19%	19%
Over 50 years old	1,642 / 5%	2,193 / 7%	11%
No date		178 / .6%	0.03%

Turnover by gender & age group			
Under 30 years old			
Female	1,561 / 5%	2,007 / 7%	5%
Male	893 / 3%	928 / 3%	3%
NA	25 / .08%	8 / 0.03%	0.02%
30-50 years old			
Female	2,559 / 8%	3,689 / 13%	12%
Male	1,689 / 5%	2,010 / 7%	7%
NA	44 / .1%	11 / 0.04%	0.01%
Over 50 years old			
Female	978 / 3%	1,447 / 5%	7%
Male	544 / 2%	744 / 7%	3%
NA	120 / .4%	2 / 0.01%	0%

New hires

	2017	2018	2019
Total number and rate of new employee hires (number of hires/average headcount)	6,153 / 20%	7,053 / 26%	4,326 / 21%
Total number of new hires – female		4,661 / 66%	2,725 / 63%
Total number of new hires – male		2,185 / 31%	1,601 / 37%
Total number of new hires – NA		207 / 3%	21 / .5%

New hires by region			
UK (2019)			754 / 12%
US (2019)			3,453 / 56%
Rest of World (2019)			1,907 / 31%
Core (2018 and prior)	710 / 12%	569 / 8%	
Growth (2018 and prior)	580 / 9%	617 / 9%	
North America (2018 and prior)	2,144 / 35%	2,292 / 33%	
Other (2018 and prior)	2,719 / 44%	3,575 / 51%	

New hires by region and gender			
UK (2019)			
Female			436 / 7%
Male			317 / 5%
NA			1 / 0%
US (2019)			
Female			2,374 / 39%
Male			1,069 / 17%
NA			10 / 0%
Rest of world (2019)			
Female			1,067 / 17%
Male			837 / 14%
NA			3 / 0%

ESG performance data and assurance continued

	2017	2018	2019
Core (2018 and prior)			
Female	472 / 8%	346 / 5%	
Male	218 / 4%	208 / 3%	
NA	20 / 0.3%	15 / 0.2%	
Growth (2018 and prior)			
Female	257 / 4%	331 / 5%	
Male	298 / 5%	231 / 3%	
NA	25 / 0.40%	55 / 0.8%	
North America (2018 and prior)			
Female	1,549 / 25%	1,752 / 25%	
Male	565 / 9%	534 / 8%	
NA	30 / 0.4%	6 / 0.1%	
Other (2018 and prior)			
Female	1,589 / 25%	2,232 / 25%	
Male	1,040 / 17%	1,212 / 17%	
NA	90 / 1%	131 / 2%	
New hires by age group			
Under 30 years old	2,242 / 36%	2,303 / 33%	33%
30-50 years old	2,869 / 47%	3,239 / 46%	47%
Over 50 years old	915 / 15%	1,353 / 19%	18%
no date	127 / 2%	158 / 2%	2%
New hires by age group & gender			
Under 30 years old			
Female	1,359 / 22%	1,517 / 22%	21%
Male	856 / 14%	736 / 10%	12%
NA	27 / 0.4%	50 / 0.7%	-
30-50 years old			
Female	1,855 / 30%	2,139 / 30%	28%
Male	976 / 16%	1,048 / 15%	19%
NA	38 / 0.6%	52 / 0.7%	-
Over 50 years old			
Female	631 / 10%	958 / 14%	13%
Male	275 / 4%	387 / 5%	6%
NA	9 / 0.2%	8 / 0.1%	-
Length of service			
Average length of service for a Pearson employee	6.15	6.75	7.00
Average length of service – female	6.06	6.63	7.00
Average length of service – male	6.36	7.02	7.10
Median length of service – female	3.82	3.8	4.60
Median length of service – male	4.08	3.88	5.00

ESG performance data and assurance continued

Performance, Career Development and Learning

In 2019, we reviewed our approach to learning & development for our employees. We recognise that it is increasingly important for Pearson to develop new skills, capabilities and behaviors to keep pace and differentiate us from our competition. We are therefore looking for 2020 to redefine the learning agenda within Pearson and will appoint a senior leader to drive this agenda.

	2017	2018	2019
Employee training hours			
Total hours by all employees	151,166	95,940	51,525
Average hours per year per employee	4.89	2.63	2.22
Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period			
Total	19,436 / 63%	20,577 / 75%	In 2019, we replaced the formal annual review process with regular conversations between managers and employees focused on performance, development, and alignment with our values and behaviors.
Female	10,840 / 35%	11,756 / 43%	
Male	8,493 / 28%	8,592 / 31%	
SVP	93 / .3%	91 / 0.3%	
VP	363 / 1%	349 / 1%	
Director	1,034 / 3%	1,022 / 4%	
Manager	2,527 / 8%	2,783 / 10%	
Other levels	15,419 / 50%	16,332 / 59%	

Employee benefits

	2017	2018	2019
Health and wellness benefits			
Percentage of employees participating in Pearson medical programs	82% US / 51% UK	82% (US) / 53% (UK)	82% (US)/53% (UK)
Average percentage of health insurance costs for employees paid by Pearson	80% US / 79% UK	80% (US) / 82% (UK)	79% (US)/82% (UK)
Average percentage of health insurance costs for employees, spouses, and dependants paid by Pearson	80% (US)/82% (UK)	84% (UK)	79% (US)/ 82% (UK)
Financial benefits			
Percentage of eligible employees participating in Pearson's 401(k) Plan	92% (US)	92% (US)	93% (US)
Percentage of employees participating in the Employee Stock Purchase Plan	22% (US)	21% (US)	22% (US)
Percentage of employees participating in the Worldwide Save For Shares Plan – globally except the US	18%	18%	17.5%
Percentage of workforce below senior leadership eligible for LTIPs	5.2%	6.25%	5.9%
Work/Life balance and lifestyle programs			
Number of employees using commuter benefits	600 (US)	691 (US)	812 (US)
Number of employees using Pearson's Employee Assistance Plan	390 (US)/239 (UK)	402 (US)	883 (US)/217 (UK)
Number of interactions with Pearson's lifestyle programs	12,709 (US)/10,148 (UK)	11,482 (US)	9,652 (US)

ESG performance data and assurance continued

Health and safety

More information about how we manage health and safety is on p45 of the Annual Report.

	2017	2018	2019
Percentage of H&S standards implemented across all locations ¹	82%	92%	96%
Number of H&S audits & advisory reviews ²	41	31	34
Percentage closure of open action audit findings as of 1 January	90%	91%	95%
Number of improvement follow-up actions from audits implemented as 1 January	319	885	936
Number of injuries ³	112	107	88
Number of work-related illness cases ⁴	99	110	121
Number of serious incidents ⁵	27	21	26
Number of work-related fatalities	0	0	1
Total incident rate per 100 employees ⁶	0.77	0.87	0.91
Injury & illness rate per 100 employees ⁷	0.28	0.29	0.28
Serious incident ratio ⁸	9%	7%	11%
Workplace inspections reported	2407	849	444

1. Primary metric for implementation of our H&S management system.
2. Audits & advisory reviews conducted by Global Risk Management staff to provide assurance of local compliance with H&S law and policy.
3. Total injuries requiring medical treatment or lost time due to injury. Does not include minor/first aid cases.
4. Includes musculoskeletal disorders, work-related stress, and other illness cases related to work
5. Internal metric defined as any work-related injury or illness resulting in more than 3 days away from work.
6. Rate of all incidents (including minor) per 100 employees.
7. Rate of injuries/illness related to work, not including minor/first aid incidents.
8. Internal metric designed to measure prevention of serious incidents and active reporting of minor incidents.

Social contributions

The figure below includes Every Child Learning (see p18 of the Annual Report), our CAMFED partnership (see p18 of the Annual Report), Tomorrow's Markets Incubator, Project Literacy and related program management costs.

	2018	2019
Social contributions	£5.7m	£2.3m

BTECs & SDG 4

We recently launched our first sustainability-backed loan linking to our progress in increasing access to quality vocational education to learners in international markets.

	2017	2018	2019
Number of BTEC registrations outside the UK		33,403	43,906

ESG performance data and assurance continued

Governance

	2017	2018	2019
Raising concerns			
Total number of concerns raised & investigated.	87	80	135
Human Resources Matters	32 (36%)	25 (31%)	43 (32%)
Financial irregularities or violations of our policies	51 (58%)	55 (69%)	92 (68%)
Code of Conduct			
Percentage of employees completing code of conduct certification or training	99% (for all certification processes)	100%	100%

Progress on 2020 targets

We are approaching the end of Pearson's 2020 Sustainability Plan, which is focused on three pillars: 1) reaching more learners; 2) shaping the future of learning; and 3) being a trusted partner and supporting our commitment to the UN SDGs. Pearson has made good progress across the pillars of our plan.



Reach more learners

Improve access to and affordability of products and services

We have built strong foundations to reach more learners from disadvantaged backgrounds and support them to overcome barriers through products and services. See examples on p17, 20, 36, 37 and 38 of the Annual Report.

Collaborate to reach underserved learners

Through partnerships involving non-governmental organisations, teachers, education experts, governments and others, we are also tackling some of the biggest education challenges.

Read more about our partnership with Save the Children on p18 of the Annual Report and CAMFED on p18 of the Annual Report.



Shape the future of learning

Build skills that foster employability and inclusive economic growth

We are better preparing students to progress in learning, work and life through a range of products and services. For example, 'Pearson's Career Success' programme, which has reached 135,000 learners since 2018, helps students set career goals, fill skills gaps and prepare for employment.

Promote education for sustainable development

We are increasingly integrating and promoting sustainability content and skills, including in our BTEC qualifications and US Higher Education Courseware products. We also released a white paper with Arizona State University, Business Fights Poverty and the UN Principles for Responsible Management Education on how to scale up and partner on opportunities to advance learning and skills for sustainable development. Read more on p18-19 of the Annual Report.

Engage in multi-stakeholder research, dialogue and collective action to solve global challenges

We are active participants in multi-stakeholder, collective action initiatives that aim to strengthen global education systems, explore the role of the private sector in global education and development, and advance the UN SDGs. See organisations on p26 of the Annual Report.



Be a trusted partner

Respect and support our people, customers and communities

We successfully achieved our goals to develop and implement an Editorial Policy to ensure content is appropriate (see p19) and report on Pearson's GB gender pay.

In 2018 and 2019, we also reported on Pearson's GB gender pay and continue to take actions to further reduce the gap.

Protect our natural environment

We met our 2020 targets to reduce our operational Greenhouse Gas emissions by 50% (using 2009 as the base year) and reduce energy use in our buildings on an absolute basis by 50% (using 2013 as the base year) early. Read more on p22-23 of the Annual Report.

Build a sustainable supply chain

We have taken a number of steps to continuously improve how we consider social and environmental issues in our supply chain and procurement. Read more on p23-25 of the Annual Report.

Progress on 2020 targets continued

- Completed
- In progress
- Not complete

	Timeframe	Status	Update/AR reference
Pillar 1: Reach more learners			
Improve access and affordability of products and services			
Research on underserved groups			
Continue research on the lifelong learner, engaging the broader ecosystem of educators, employers and policymakers.	2019-2020	●	See AR p16-17, ongoing.
Inclusive access			
Enable 3 million students to access more affordable digital course materials from the first day of class by 2019 from a 2016 baseline.	2019	●	We have reached 2.1m as of the end of 2019 and the program will continue going forward.
Accessibility			
Develop and publish a global accessibility policy.	2019	●	See AR p17.
Tomorrow's Markets Incubator			
Pearson concluded the Tomorrow's Markets Incubator programme in 2019 and re-integrated teams into their respective business groups.			
Prototype and test three new venture solutions in market.	2019		
Design in-market pilots for successful prototypes.	2019		
Continue support for the more mature ventures.	2019		
Collaborate to reach underserved learners			
Every Child Learning			
Impact over 25,000 learners in the following ways:	2019	●	10,387 children used the Space Hero App in classrooms.
– 9,500 children will take part in a blended learning program using the math app in schools			2,301 children with Arabic remedial classes
– 2,280 children will take part in remedial Arabic to help them catch up with their peers			24,053 children take part in sports for development
– 14,700 children will take part in sports for development classes, helping them to develop effective communication skills, build peer-to-peer relationships and gain a sense of belonging.			377 school staff with subject-based training.
– 360 teachers will receive subject-based training in addition to child protection and psychosocial support training, aiming to provide more effective lessons in a safe and supportive learning environment.			See AR p18.
Pillar 2: Shape the future of learning			
Build skills that foster employability and inclusive economic growth			
Personal and Social Capabilities Framework			
Support the authors of Pearson content to integrate explicit instruction in Personal and Social Capabilities.	2019	●	This is ongoing and will be an element of our 2030 Sustainability Strategy. See AR p16.
Pearson Career Success			
Grow users of the Career Success Program steadily to reach 150,000 students by 2020.	2020	●	135,000 reached by the end of 2019.
BTEC qualifications			
Increase the number of BTEC registrations outside the UK, particularly in markets where vocational education is developing.	ongoing	●	31% increase in 2019. See AR p37.
CAMFED partnership			
Certify 5,000 women with BTEC qualifications through our partnership with Camfed by the end of 2019.	2019	●	We have awarded 2,595 BTECs. See AR p18.

[Click here to view our 2019 Annual Report & Accounts.](#)

Progress on 2020 targets continued

- Completed
- In progress
- Not complete

	Timeframe	Status	Update/AR reference
Promote education for sustainable development			
Implement education for sustainability strategy next steps.	ongoing	●	This is a key element of our 2030 Sustainability Strategy. See AR p16.
Engage in multi-stakeholder research, dialogue, and collective action to solve global challenges			
Act as a leader in and participate in multi-stakeholder initiatives and partnerships that promote quality education, lifelong learning, and the role of business in society.	2019 and ongoing	●	See AR p26.
Pillar 3: Be a trusted partner			
Empower and support people			
Human rights			
Offer additional human rights training opportunities for our employees.	2019	●	This is an element of our 2030 Sustainability Strategy.
Safeguarding			
Improving impact evaluation for training programs, to better understand how participation affects staff and learner perceptions about safety.	2019	●	
Develop action plans to address gaps identified through an assessment of how our processes for learners to raise concerns about harassment or abuse in our direct delivery businesses align with the UN Guiding Principles on Business and Human Rights.	2019	●	See AR p19.
Relevant, appropriate, and inclusive content			
Establish and roll out a global Editorial Policy by 2020 to ensure Pearson content is appropriate, effective, and relevant for all learners, for the 21st century and beyond.	2020	●	See AR p19.
Incorporate the Editorial Policy into Pearson's Code of Conduct.	2019	●	See AR p19.
Assign the online learning module to new starters in content-facing and contents support functions.	2019	●	See AR p19.
Ensuring that Editorial Policy checkpoints are incorporated into our product development processes.	2019	●	See AR p19.
Product safety			
Maintain our ongoing target of zero product safety incidents or recalls.	2018	●	
Talent			
Continue to develop our executive and senior management succession bench with a strong emphasis on looking at opportunities within business line, P&L and country MD level roles for women and diverse talent.	2019	●	See AR p22-23.
Progress on our journey toward greater pay transparency and what that means to Pearson through education and standardization.	ongoing	●	See AR p23.
Provide integrated people solutions that empower the business to drive results, outcomes, growth, and employability for learners.	ongoing	●	See AR p21-22.
Use the outputs from the Innovation Jam and the results of our Organizational Health Survey to create clear, tangible action plans.	2019	●	See AR p21.
Diversity and inclusion			
Extend our reporting on gender pay to cover our global operations by 2020.	2020	●	See AR p23.
Institute an annual D&I dashboard review and goal-setting session with each business and function leadership team.	2019	●	See AR p22.

Progress on 2020 targets continued

- Completed
- In progress
- Not complete

	Timeframe	Status	Update/AR reference
Health and safety			
Complete remaining assessment work in areas of occupational road risk and establish improvement action plans as appropriate by 2020.	2019	●	
Implement initial action plans for global incident reporting, documentation, and record keeping, and occupational health coming out of the review beginning in 2019.	2019	●	
Carry out annual H&S audit and assurance program, achieving at least 95% of plan in 2019.	2019	●	
Further assess and establish key performance indicators and other program measurements, with continuing effort to target further alignment with GRI metrics.	2019	●	
Volunteering and giving			
Invest 1% pre-tax profit in community activities.	2019	●	We have taken a decision to move away from using this as a metric, focused on input, and are developing KPIs to demonstrate outcomes and impacts towards our 2030 Sustainability Strategy.
Protect our natural environment			
Environment			
Reduce our Greenhouse Gas emissions by 50% by the end of 2020 using 2009 as the base year.	2020	●	See AR p22-23.
Reduce energy use in our buildings on an absolute basis by 50% by the end of 2020 using 2013 as the base year.	2020	●	See AR p22-23.
Build a sustainable supply chain			
Undertake a supply chain review project to assess and improve our approach to managing social, including modern slavery, and environmental sustainability risks, practices and impacts across our supply chain.	2019	●	See AR p25.
Increase our diverse spend with our Global Procurement Category Leads.	2019	●	See AR p25.
Adopt a corporate policy on supplier diversity, and include supplier diversity language in our RFPs.	2019	●	See AR p25.
Work with our prime (Tier I) suppliers to integrate diverse utilization goals and spend targets in order to increase our overall diverse spend with the Tier II suppliers that supply goods and services to Tier I suppliers.	2019	●	See AR p25.

Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index

We have applied relevant international reporting standards and frameworks, including the Global Reporting Initiative (GRI) guidelines, UN Global Compact (UNGC) Ten Principles, and the UN Sustainable Development Goals (SDGs). Together our Annual Report and this document have been developed in accordance with the GRI Standards and serve as our UN Global Compact Communication on Progress.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



Indicator	Description	AR 2019	This Document	Additional notes	UNGC	SDGs
GRI 101 and 102: General disclosures						
Organizational profile						
GRI 102-1	Name of the organization	p1				
GRI 102-2	Activities, brands, products, and services	p1, 10-13				
GRI 102-3	Location of headquarters	Back cover				
GRI 102-4	Location of operations	Inside front cover p36-38; p195-198				
GRI 102-5	Ownership and legal form	p177-178				
GRI 102-6	Markets served	p137-139; p195-198				
GRI 102-7	Scale of the organization	p1; p2-3; p10-13; p122-125; p137-139	p7-12			
GRI 102-8	Information on employees and other workers	p14; p21-23; p146	p7-12			
GRI 102-9	Supply chain	p15; p23-25				
GRI 102-10	Significant changes to the organization and its supply chain	p34; p180				
GRI 102-11	Precautionary Principle or approach	p25			7	6, 7, 13, 15
GRI 102-12	External initiatives	p26			1-10	17
GRI 102-13	Membership of associations	p26				17
Strategy						
GRI 102-14	Statement from senior decision-maker		p2			Statement of commitment from chief executive
GRI 102-15	Key impacts, risks, and opportunities	p40-41	p3-4		1-10	4, 8, 10
Ethics and integrity						
GRI 102-16	Values, principles, standards, and norms of behavior	p10; p26; p58-59		Company policies are posted on the sustainability section of our website (https://www.pearson.com/corporate/our-policies.html).		
GRI 102-17	Mechanisms for advice and concerns about ethics	p25	p14			

[Click here to view our 2019 Annual Report & Accounts.](#)

Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

Indicator	Description	AR 2019	This Document	Additional notes	UNGC	SDGs
Governance						
GRI 102-18	Governance structure	p51-83				
GRI 102-22	Composition of the highest governance body and its committees	p54-58;				
GRI 102-23	Chair of the highest governance body	p54; p60				
GRI 102-25	Conflicts of interest	p58				
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	p52; p58-59; p72-73				
GRI 102-29	Identifying and managing economic, environmental, and social impacts	p72-73				
GRI 102-32	Highest governance body's role in sustainability reporting	p72-73				
Stakeholder engagement						
GRI 102-40	List of stakeholder groups	p14-15	p3-4			
GRI 102-41	Collective bargaining agreements	p21			3	8
GRI 102-42	Identifying and selecting stakeholders	p14-15	p3-4			
GRI 102-43	Approach to stakeholder engagement	p14-15	p3-4			
GRI 102-44	Key topics and concerns raised	p14-15	p3-4			
Reporting practices						
GRI 102-45	Entities included in the consolidated financial statements	p114-127; p137-139				
GRI 102-46	Defining report content and topic boundaries		p3-4			
GRI 102-47	List of material topics		p3-4			
GRI 102-48	Restatements of information					
GRI 102-49	Changes in reporting			No changes		
GRI 102-50	Reporting period			1 Jan 2019 - 31 Dec 2019		
GRI 102-51	Date of most recent report			17 March 2020		
GRI 102-52	Reporting cycle			Annual		
GRI 102-53	Contact point for questions regarding the report			sustainability@pearson.com		
GRI 102-54	Claims of reporting in accordance with the GRI Standards			This report has been prepared in accordance with the GRI		
Standards: Core option						
GRI 102-55	GRI content index		p19-23			
GRI 102-56	External assurance		p6	See more about external assurance at: https://www.pearson.com/sustainability/reporting-policies.html		
GRI 200: Economic disclosures						
GRI 201: Economic performance						
GRI 103-1	Explanation of the material topic and its Boundaries					
GRI 103-2	The management approach and its components	p10-13	p5-14			
GRI 103-3	Evaluation of the management approach	p10-13	p5-14			
GRI 201-1	Direct economic value generated and distributed	p2-3; p10-14; p29-34; p122-127			1	1, 8, 10
GRI 201-2	Financial implications and other risks and opportunities due to climate change	p23			7, 8, 9	6, 7, 13, 15

Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

Indicator	Description	AR 2019	This Document	Additional notes	UNGC	SDGs
GRI 203: Indirect economic impacts						
GRI 103-1	Explanation of the material topic and its Boundaries	p16-17				
GRI 103-2	The management approach and its components	p16-17				
GRI 103-3	Evaluation of the management approach	p16-17				
GRI 203-1	Infrastructure investments and services supported	p17-19				4, 8, 10
GRI 203-2	Significant indirect economic impacts	p17-19	p13			4, 8, 10
GRI 205: Anti-corruption						
GRI 103-1	Explanation of the material topic and its Boundaries	p25; p49			10	16
GRI 103-2	The management approach and its components	p25; p49			10	16
GRI 103-3	Evaluation of the management approach	p25; p49			10	16
GRI 205-1	Operations assessed for risks related to corruption	p25; p49			10	16
GRI 205-2	Communication and training about anti-corruption policies and procedures	p25; p49	p14		10	16
GRI 300: Environmental disclosures						
GRI 302: Energy						
GRI 103-1	Explanation of the material topic and its Boundaries	p22-23			7, 8, 9	7, 13, 15
GRI 103-2	The management approach and its components	p22-23			7, 8, 9	7, 13, 15
GRI 103-3	Evaluation of the management approach	p22-23			7, 8, 9	7, 13, 15
GRI 302-1	Energy consumption within the organization	p22-23	p5		7, 8, 9	7, 13, 15
GRI 302-3	Energy intensity	p22-23	p5		7, 8, 9	7, 13, 15
GRI 302-4	Reduction of energy consumption	p22-23	p5		7, 8, 9	7, 13, 15
GRI 305: Emissions						
GRI 103-1	Explanation of the material topic and its Boundaries	p22-23			7, 8, 9	7, 13, 15
GRI 103-2	The management approach and its components	p22-23			7, 8, 9	7, 13, 15
GRI 103-3	Evaluation of the management approach	p22-23			7, 8, 9	7, 13, 15
GRI 305-1	Direct (Scope 1) GHG emissions	p22-23	p5		7, 8, 9	7, 13, 15
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p22-23	p5		7, 8, 9	7, 13, 15
GRI 305-3	Other indirect (Scope 3) GHG emissions	p22-23	p5		7, 8, 9	7, 13, 15
GRI 305-4	GHG emission intensity	p22-23	p5		7, 8, 9	7, 13, 15
GRI 305-5	Reduction of GHG emissions	p22-23	p5		7, 8, 9	7, 13, 15
GRI 307: Environmental compliance						
GRI 103-1	Explanation of the material topic and its Boundaries	p22-23			7, 8, 9	7, 13, 15
GRI 103-2	The management approach and its components	p22-23			7, 8, 9	7, 13, 15
GRI 103-3	Evaluation of the management approach	p22-23			7, 8, 9	7, 13, 15
GRI 307-1	Non-compliance with environmental laws and regulations		p6		7, 8, 9	7, 13, 15
GRI 308: Supplier environmental assessment						
GRI 103-1	Explanation of the material topic and its Boundaries	p23-25			7, 8, 9	7, 13, 15
GRI 103-2	The management approach and its components	p23-25			7, 8, 9	7, 13, 15
GRI 103-3	Evaluation of the management approach	p23-25			7, 8, 9	7, 13, 15
GRI 308-1	New suppliers that were screened using environmental criteria	p23-25			7, 8, 9	7, 13, 15
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	p23-25		No significant issues were brought to our attention.	7, 8, 9	7, 13, 15

Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

Indicator	Description	AR 2019	This Document	Additional notes	UNGC	SDGs
GRI 400: Social disclosures						
GRI 401: Employment						
GRI 103-1	Explanation of the material topic and its Boundaries	p21-23; p43; p64			1, 2, 3, 4, 5, 6	8, 10
GRI 103-2	The management approach and its components	p21-23; p43; p64			1, 2, 3, 4, 5, 6	8, 10
GRI 103-3	Evaluation of the management approach	p21-23; p43; p64			1, 2, 3, 4, 5, 6	8, 10
GRI 401-1	New employee hires and employee turnover		p9-11		6	8, 10
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p21	p12			8, 10
GRI 403: Occupational health and safety						
GRI 103-1	Explanation of the material topic and its Boundaries	p45			1, 2	8, 10
GRI 103-2	The management approach and its components	p45			1, 2	8, 10
GRI 103-3	Evaluation of the management approach	p45			1, 2	8, 10
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities		p13		1, 2	8, 10
GRI 404: Training and education						
GRI 103-1	Explanation of the material topic and its Boundaries	p21; p43			1	4, 8, 10
GRI 103-2	The management approach and its components	p21; p43			1	4, 8, 10
GRI 103-3	Evaluation of the management approach	p21; p43			1	4, 8, 10
GRI 404-1	Average hours of training per year per employee		p12			4, 8, 10
GRI 404-2	Programs for upgrading employee skills and transition assistance programs					4, 8, 10
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		p12			4, 8, 10
GRI 405: Diversity and equal opportunity						
GRI 103-1	Explanation of the material topic and its Boundaries	p22-23			1, 2, 6	8, 10
GRI 103-2	The management approach and its components	p22-23			1, 2, 6	8, 10
GRI 103-3	Evaluation of the management approach	p22-23			1, 2, 6	8, 10
GRI 405-1	Diversity of governance bodies and employees	p3; p22-23	p8		1, 2, 6	8, 10
GRI 405-2	Ratio of basic salary and remuneration of women to men	p3	p8	See Pearson's UK gender pay report at: https://www.pearson.com/corporate/news/media/news-announcements/2019/03/pearson-publishes-2018-gender-pay-report.html	1, 2, 6	8, 10
GRI 407: Freedom of association and collective bargaining						
GRI 103-1	Explanation of the material topic and its Boundaries	p19; p21; p23-24			3	8
GRI 103-2	The management approach and its components	p19; p21; p23-24			3	8
GRI 103-3	Evaluation of the management approach	p19; p21; p23-24			3	8
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p21; p23-24			3	8

Global Reporting Initiative (GRI), UN Global Compact and UN Sustainable Development Goals (SDGs) content index continued

Indicator	Description	AR 2019	This Document	Additional notes	UNGC	SDGs
GRI 408: Child labor						
GRI 103-1	Explanation of the material topic and its Boundaries	p19; p21; p23-24			5	8
GRI 103-2	The management approach and its components	p19; p21; p23-24			5	8
GRI 103-3	Evaluation of the management approach	p19; p21; p23-24			5	8
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	p19; p23-24			5	8
GRI 409: Forced or compulsory labor						
GRI 103-1	Explanation of the material topic and its Boundaries	p19; p23-24			4	8
GRI 103-2	The management approach and its components	p19; p23-24			4	8
GRI 103-3	Evaluation of the management approach	p19; p23-24			4	8
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p19; p23-24			4	8
GRI 412: Human rights assessment						
GRI 103-1	Explanation of the material topic and its Boundaries	p19			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 103-2	The management approach and its components	p19			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 103-3	Evaluation of the management approach	p19			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	p19			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 412-2	Employee training on human rights policies or procedures	p17, p25		We provided training on data privacy, Editorial Policy, code of conduct, and anti-corruption.	1, 2, 3, 4, 5, 6	4, 8, 10
GRI 413: Local communities						
GRI 103-1	Explanation of the material topic and its Boundaries	p17-19				1, 4, 8, 10
GRI 103-2	The management approach and its components	p17-19				1, 4, 8, 10
GRI 103-3	Evaluation of the management approach	p17-19				1, 4, 8, 10
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	p17-19				1, 4, 8, 10
GRI 414: Supplier social assessment						
GRI 103-1	Explanation of the material topic and its Boundaries	p23-p25			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 103-2	The management approach and its components	p23-p25			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 103-3	Evaluation of the management approach	p23-p25			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 414-1	New suppliers that were screened using social criteria	p23-p25			1, 2, 3, 4, 5, 6	4, 8, 10
GRI 415: Public policy						
GRI 103-1	Explanation of the material topic and its Boundaries	p44				
GRI 103-2	The management approach and its components	p44				
GRI 103-3	Evaluation of the management approach	p44				
GRI 415-1	Political contributions					
GRI 418: Customer privacy						
GRI 103-1	Explanation of the material topic and its Boundaries	p47			1, 2	
GRI 103-2	The management approach and its components	p47			1, 2	
GRI 103-3	Evaluation of the management approach	p47			1, 2	